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OPULENT TREASURES, INC.*

**UNITED STATES DISTRICT COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

OPULENT TREASURES, INC.,

Plaintiff,

v.

YA YA LOGISTICS, INC., et al.,

Defendants.

Case No. 2:22-cv-06137-SSS-JC

*Applies to: Counter-claims previously  
transferred into this district in 2:23-cv-  
04292 and subsequently consolidated into  
2:22-cv-06137*

**PLAINTIFF AND COUNTER-  
DEFENDANT OPULENT  
TREASURES, INC.'S NOTICE OF  
MOTION AND MOTION TO  
DISPOSE OF YA YA LOGISTICS'S  
COUNTERCLAIM**

YA YA LOGISTICS, INC.,

Counter-Plaintiff,

v.

OPULENT TREASURES, INC.,

Counter-Defendant.

Date: January 19, 2024

Time: 2:00 p.m.

Judge: Hon. Sunshine S. Sykes

Courtroom: 2

1 **TO THE COURT, AND TO ALL PARTIES AND THEIR ATTORNEYS**  
 2 **OF RECORD:**

3 **PLEASE TAKE NOTICE** that on January 19, 2024, at 2:00 p.m., in  
 4 Courtroom 2 of the United States District Court for the Central District of  
 5 California, located at the George E. Brown, Jr. Federal Building and U.S.  
 6 Courthouse, at 3470 Twelfth Street, Riverside, California 92501-3801, Plaintiff and  
 7 Counter-Defendant Opulent Treasures, Inc. (“Opulent”) will, and hereby does, move  
 8 for summary judgment, pursuant to Fed. R. Civ. P. 56 and for judgment on the  
 9 pleadings or, in the alternative, a motion to dismiss, against Defendant and Counter-  
 10 Plaintiff Ya Ya Logistics, Inc. (“Ya Ya Logistics”) as follows:

11 This motion is made following the conferences of counsel that took place on  
 12 September 7, September 28, and October 23, 2023. (van Loben Sels Decl. ¶¶ 3-4;  
 13 Rodriguez Decl. Exhibit 1).

14 This motion is based on this Notice of Motion and supporting Memorandum  
 15 of Points and Authorities, the Declarations of Sean Phillips Rodriguez and John  
 16 David van Loben Sels, any reply briefing in further support of this motion, any  
 17 matters of which this Court may take judicial notice, all papers and exhibits  
 18 previously filed with the Court in this action, and on such other written and oral  
 19 argument as may be presented to the Court.

20 Dated: October 27, 2023

Respectfully submitted,

21 **BOIES SCHILLER FLEXNER LLP**

22  
 23 By: /s/Sean P. Rodriguez  
 24 Sean P. Rodriguez

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**MEMORANDUM OF POINTS AND AUTHORITIES**

This case is the consolidation of two actions involving Defendants-Counterclaimants that are commonly owned and share the same Chief Executive Officer. Those two Defendants-Counterclaimants, Ya Ya Creations, Inc. and Ya Ya Logistics, Inc., asserted substantively identical counterclaims for fraud on the Patent and Trademark office in procuring a trademark against Plaintiff Opulent Treasures, Inc. (“Opulent”).

This Court already entered summary judgment on Ya Ya Creations’s counterclaim. (Dkt. No. 227 [“SJ Order”].) The facts and reasoning in the SJ Order preclude Ya Ya Logistics’s counterclaim, which remains in the operative pleadings only because of this case’s unique procedural history.

This Motion seeks to harmonize the consolidated pleadings in this consolidated case by formally disposing of Ya Ya Logistics’s meritless counterclaim by a combination of summary judgment and either judgment on the pleadings or an order dismissing the counterclaim.

\* \* \*

In the first action, 2:22-cv-02616 (the “’22 Action”), this Court granted summary judgment in favor of Opulent on the fraud-on-the-PTO counterclaim asserted by Ya Ya Creations. (SJ Order.) Meanwhile, Ya Ya Logistics asserted the same counterclaim in a case pending in the Middle District of Florida transferred 2:23-cv-04292 (the “’23 Action”). After the SJ Order, the ’23 Action was transferred into this District and consolidated with the ’23 Action. (’22 Action, Dkt. No. 287.)

This motion requests that the ’23 Action’s counterclaim be disposed in the same way as the counterclaim asserted in the ’22 Action. The counterclaims are nearly identical. They make the same allegations at the same paragraph numbers. (*Compare* ’22 Action Dkt. No. 70 ¶¶ 4-24, *with* ’23 Action, Dkt. No. 32 ¶¶ 4-24).

1 There are only two immaterial differences in the counterclaims' allegations: *First*,  
 2 the already-adjudged '22 Action's counterclaim includes additional language  
 3 alleging harm and damages than does the later-filed counterclaim in the '23 Action.  
 4 (*Compare* '22 Action Dkt. No. 70 ¶ 8, *with* '23 Action, Dkt. No. 32 ¶ 8). *Second*,  
 5 the '23 Action quote and cite the same U.S. Patent and Trademark Office form, but  
 6 the '23 Action quotes an extra sentence from the form. Since the PTO forms are  
 7 identical, incorporated by reference into the counterclaims, and judicially noticeable,  
 8 there is no effective difference at all in those paragraphs.

9 Though the '23 Action names different defendants than the '22 Action, the  
 10 sole remaining defendant in the '23 Action is Ya Ya Logistics. (*See* '23 Action,  
 11 Dkt. No. 80 [dismissing other defendants].) As noted above, Ya Ya Creations and  
 12 Ya Ya Logistics have the same ownership and CEO. (Rodr. Decl. Exhibit 2 at ¶¶ 2-  
 13 3.)

14 In any event, no corporate distinction matters to the analysis or outcome. The  
 15 counterclaims turn on Opulent's conduct, not conduct undertaken by one Ya Ya or  
 16 another. Nor can Ya Ya Logistics claim that Ya Ya Creations lacked sufficient  
 17 opportunity for discovery or in unfamiliar with the record in this '22 Action because  
 18 the two Ya Yas are represented in this case by the same counsel and have followed  
 19 the same litigation strategy. Indeed, the Ya Yas advocated for consolidation  
 20 because the cases have such a great degree of overlap. (*See, e.g.*, '23 Action, Dkt.  
 21 No. 169 at 8 [Joint Stat. Rep. re Consolidation].)

22 For these reasons, and all those that follow, Opulent respectfully requests an  
 23 order summarily adjudicating the '23 Action's counterclaim or eliminating it on the  
 24 pleadings.

## 25 **I. BACKGROUND**

26 Since 1995, Opulent has designed, distributed, marketed, offered for sale, and  
 27 sold home entertainment and décor goods. ('23 Action, Dkt. No. 14 at ¶15.)  
 28

1 Opulent products are available on Amazon.com, Wayfair.com, Houzz.com, and  
2 QVC. (*Id.* at ¶¶ 24-25.). Opulent sells to retail stores including TJ Maxx and  
3 Marshalls. (*Id.*) Opulent’s products have proven popular with consumers and  
4 gained mainstream significance. (*Id.* at ¶ 22.)

5 Defendant Ya Ya Logistics is an integral part of the Ya Yas’ counterfeiting  
6 operation. The Ya Yas knocked off three of Opulent’s well known creations—the  
7 “Chandelier Cake Stand,” “Candelier Cupcake Holder,” “Chandelier Candle  
8 Holder” (the “Products” at issue). (*Id.* at ¶ 16.) More specifically, the Ya Yas have  
9 offered for sale, sold, distributed, imported and/or resold, advertised, marketed, or  
10 promoted, and continue to offer for sale, products infringing Opulent’s copyright  
11 and trade dress rights in the Products. (*Id.* at ¶ 46.) Accordingly, Opulent sued for  
12 direct and contributory copyright infringement, direct and contributory  
13 counterfeiting, direct and contributory trade dress infringement, and unfair  
14 competition. (*Id.* at ¶¶ 61-134.)

15 Opulent initially brought suit on August 24, 2022 in the Middle District of  
16 Jacksonville, Florida. (’23 Action, Dkt. No. 1.) On November 7, 2022, Ya Ya  
17 Logistics answered the Complaint and filed a Counterclaim against Opulent. (’23  
18 Action, Dkt. No. 32). In its Counterclaim, Ya Ya Logistics alleged that it suffered  
19 damages as a result of Opulent’s alleged fraud in the procurement of its trademark  
20 under 15 U.S.C. Section 1120. (*Id.* at ¶ 4.) Opulent requested that venue be  
21 transferred to the District Court for the Central District of California, where it was  
22 consolidated with the ’22 Action. (’23 Action, Dkt. Nos. 33 & 58; ’22 Action, Dkt.  
23 No. 287.)

24 While the motion to transfer was pending, discovery in the ’22 Action was  
25 completed and summary judgment proceedings began. (’22 Action, Dkt. No. 101 at  
26 7-8.) Opulent obtained summary judgment on the counterclaim asserted in the ’22  
27 Action—which was identical to the counterclaim asserted in the ’23 Action:

<b><u>Ya Ya Party's Allegation</u></b>	<b><u>Asserted at</u></b>
<p><b>A. Advertising:</b>          “In the [same] July 17, 2019 declaration, Carol Wilson stated: “OPULENT has spent approximately \$38,000 annually in advertising, marketing and promoting our Chandelier Cake Stands since 2006.” “This statement was false and was knowingly and willfully submitted in an attempt to wrongfully obtain a trademark registration.”</p>	<p>’22 Action, ¶ 18 (Dkt. No. 70.)</p> <p>’23 Action, ¶ 18. (Dkt. No. 32.)</p>
<p><b>B. Cake Stand Revenues:</b>          “In [a] July 17, 2019 declaration, Carol Wilson stated: “OPULENT generated over \$700,000 in revenues from our Chandelier Cake Stands in 2018. This statement was false and was knowingly and willfully submitted in an attempt to wrongfully obtain a trademark registration.”</p>	<p>’22 Action, ¶ 16. (Dkt. No. 70.)</p> <p>’23 Action, ¶ 16. (Dkt. No. 32.)</p>
<p><b>C. Customer Declarations:</b>          “Counterclaim Defendant also submitted several declarations entitled ‘Declaration of Customer’ [but o]n information and belief, the declarations were prepared by counsel for Counterclaim Defendant [and] Counterclaim Defendant knowingly failed to inform the U.S. Patent and Trademark Office that the several of the declarants were people who worked with Counterclaim Defendant. On information and belief, Counterclaim Defendant intentionally withheld information about the true relationships between Counterclaim Defendant and the declarants to wrongfully obtain a trademark registration.”</p>	<p>’22 Action, ¶¶ 19-21. (Dkt. No. 70.)</p> <p>’23 Action, ¶¶ 19-21. (Dkt. No. 32.)</p>
<p><b>D. Senior Use:</b>          “Before and on the date Counterclaim Defendant filed its application for registration, at least third party Lamps Plus, Inc. was selling products with a nearly identical trade dress in interstate commerce,” and Opulent had “actual knowledge” of that use.</p>	<p>’22 Action, ¶¶ 10-12. (Dkt. No. 70.)</p> <p>’23 Action, ¶¶ 10-12. (Dkt. No. 32.)</p>

In the SJ Order, the Court assessed and rejected every single one of the counterclaim’s theories (A) through (D). (SJ Order at 4-5 (A); *id.* at 5-6 (B); *id.* at 6-7 (C); *id.* at 7 (D).)

1 Meanwhile, in the federal District Court for the Middle District of Florida,  
 2 Opulent’s prior counsel moved to dismiss the entire counterclaim for its failure to  
 3 allege cognizable damages, a necessary element of Ya Ya Logistics’ counterclaim  
 4 for fraudulently obtaining a trademark registration under 15 U.S.C. Section 1120  
 5 (*See* ’23 Action, Dkt. No. 35 at 4 [MTD originally filed in transferor court].) Ya Ya  
 6 Logistics pled damages consisting entirely of litigation expenses, but litigation  
 7 expenses are not cognizable damages under Section 1120. (*Id.*; Argument B.1,  
 8 below.) In opposition, Ya Ya Logistics identified no authority holding supporting  
 9 its view (*See* ’23 Action, Dkt. No. 40 at 5-6 [MTD Opp. filed in transferor court]  
 10 (quoting statements about the general nature of damages; citing nothing for the  
 11 specific proposition that litigation expenses can constitute Section 1120 damages).)

12 This Court then undertook to reconcile the two Actions’ procedural postures.  
 13 (’23 Action, Dkt. Nos. 287-93.) But the convoluted history of this case created what  
 14 the Ya Yas’ counsel called a “procedural logjam” as the parties deliberated as to the  
 15 next steps. (Rodr. Decl. Exhibit 1 at 2.)

16 The present Motion resolves that logjam: No matter how the procedural  
 17 posture is viewed—whether the pleadings are open or closed, whether the Court  
 18 considers evidence or relies wholly on legal conclusions—Ya Ya Logistics cannot  
 19 pursue a counterclaim in the ’23 Action, and Opulent respectfully requests an order  
 20 so holding.<sup>1</sup>

---

21  
 22 <sup>1</sup> After the Order discussed in Exhibit 1, Opulent was directed to file a “responsive  
 23 pleading,” the most restrictive interpretation of which is that the filing must be an answer to the  
 24 counterclaim (Rule 12(a)(1)) rather than a response by “motion” under Rule 12(b). (’23 Action,  
 25 Dkt. No. 62.) Opulent does not believe that the Court intended such a hypertechnical  
 26 interpretation, nor does Opulent believe that the Court intended to cut off Opulent’s right to  
 27 respond with a Rule 12(b)(6) motion. Nevertheless, in an abundance of caution, Opulent has  
 28 simultaneously filed an answer and styled the present Motion as one for summary judgment and  
 either a motion for judgment on the pleadings or, alternatively, a motion to dismiss. Opulent  
 respectfully requests that the protective answer be stricken *nunc pro tunc* such that it be deemed  
 never filed, and that this Motion be treated as a motion to dismiss and for summary judgment. If  
 the Court disapproves that procedure, then Opulent respectfully requests that this Motion be  
 treated as a motion for judgment on the pleadings and summary judgment.

## II. LEGAL STANDARDS

Federal Rule of Civil Procedure 12(b)(6) requires dismissal when a complaint does not “state a claim upon which relief can be granted.” Fed. R. Civ. P. 12(b)(6). In order to survive a motion to dismiss, “a complaint must contain sufficient factual matter,” which, when taken as true, “state[s] a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (1995)). However, claims for fraud are subject to a heightened pleading standard; they must be pled “with specificity,” except for “conditions of mind,” such as intent, “which may be alleged generally.” Fed. R. Civ. P. 9(b).

A Rule 12(c) motion for judgment on the pleadings invokes the same standards, except that a Rule 12(c) motion may be made at any post-pleadings phase so long as it does not delay trial.

Federal Rule of Civil Procedure 56(a) provides for summary judgment where “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” (SJ Order at 3.) This rule “mandates the entry of summary judgment” against a party “who fails to make a showing sufficient to establish the existence of an element essential to that party’s case, and on which that party will bear the burden of proof at trial.” *Celotex Corp. v. Cartrett*, 477 U.S. 317, 322 (1986); SJ Order at 3. The moving party discharges its initial burden by pointing out that “there is an absence of evidence to support the nonmoving party’s case.” *Celotex*, 477 U.S. at 322.

At summary judgment, “the judge must view the evidence presented through the prism of the substantive evidentiary burden” that obtains at trial. *Anderson v. Liberty Lobby, Inc.* 477 U.S. 242, 254 (1986). That is, a party that must meet a heightened standard of proof at trial must meet a concomitantly higher standard in terms of “quality and quantity of evidence” at summary judgment. *Id.* A claim under Section 1120 must be “‘proven to the hilt’ with clear and convincing

evidence.” *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009) (“A claim for fraud on the United States Patent and Trademark Office must be ‘proven to the hilt’ with clear and convincing evidence.”); *accord OTR Wheel Eng’g Inc. v. W. Worldwide Servs., Inc.*, 897 F.3d 1008, 1020 (9th Cir. 2018); *see also eCash Techs, Inc. v. Guagliardo*, 210 F.Supp.2d 1138, 1149 (C.D. Cal. 2001) (claims for fraud on the United States Patent and Trademark Office are disfavored and courts have imposed heavy burdens of proof).

### III. ARGUMENT

Ya Ya Logistics’ counterclaim fails for all the same substantive defects this Court identified in the SJ Order’s analysis of the ’22 Action’s counterclaim. As illustrated in the chart above, the counterclaim’s substantive allegations are identical to those already rejected by the SJ Order. The counterclaim, therefore, should be dismissed, adjudged on the pleadings, or summarily adjudicated. No matter which of those procedural route the analysis travels, the destination is the same: The SJ Order’s analysis confirms that Ya Ya Logistics cannot pursue the counterclaim it asserted in the ’23 Action.

#### A. The Law of the Case Precludes Ya Ya Logistics’s Counterclaim.

The law-of-the-case doctrine allows the Court to terminate Ya Ya Logistics’ baseless counterclaim without further delay. *See Anthem Highlands Community Ass’n v. Viega, Inc.*, No. 2:12-cv-00207, 2013 WL 149573, at \*2 (D. Nev. Jan. 14, 2013) (“the law of the case as given in any of the member cases will stand as the law of the case in the consolidated cases”); *see also Gordon v. Reliant Energy, Inc.*, 141 F. Supp. 2d 1041, 1044 (S.D. Cal. 2001) (“A decision on the merits of any important issue in any of the [consolidated cases], moreover, could or might constitute the law of the case in all of them, or involve collateral estoppel, or might be highly persuasive precedent”) (quoting *In re Aetna Cas. & Sur. Co.*, 919 F.2d 1136, 1143 (6th Cir. 1990)).

1 The Summary Judgment Order in the '22 Action already adjudicated every  
2 one of the material issues presented in the '23 Action's counterclaim, as shown in  
3 the chart above. The law-of-the-case doctrine prevents Ya Ya Logistics from  
4 wastefully re-litigating those issues, and the Court may dispense with the  
5 counterclaim on that basis.

6 **B. Ya Ya Logistics Has Not, and Cannot, State Any Viable**  
7 **Counterclaim.**

8 If the Court prefers to start where the prior district court left off, Ya Ya  
9 Logistics' claim fails on the pleadings. Specifically, Ya Ya Logistics has not  
10 alleged any cognizable damages, a necessary element of its counterclaim for fraud  
11 in the procurement of a federal trademark. 15 U.S.C § 1120. Furthermore, because  
12 Ya Ya Logistics's counterclaim is one for fraud, its damages allegations are subject  
13 to Rule 9(b)'s heightened pleading standard.

14 When alleging fraud in the procurement of a federal trademark, a party must  
15 demonstrate (1) a "false representation regarding a material fact; (2) the registrant's  
16 knowledge or belief that the representation is false (scienter); (3) the intention to  
17 induce action or refrain from action in reliance on the misrepresentation; (4)  
18 reasonable reliance on the misrepresentation; and (5) damages proximately resulting  
19 from such reliance." *Dahon North America, Inc. v. Hon*, No. 2:11-cv-05835-ODW,  
20 2012 WL 1413681 (C.D. Cal. Apr. 24, 2012).

21 On element (5), damages, Ya Ya Logistics alleges only that it "has been  
22 forced to defend this federal action for infringement" against Opulent, and thus, "has  
23 been injured." ('23 Action, Dkt. No. 32 ¶ 24). But fees and costs are not legal  
24 damages under Section 1120.

1                   **1. Attorneys’ Fees and Costs Are Not Recoverable Under 15 U.S.C.**  
 2                   **Section 1120.**

3           Ya Ya Logistics cannot prove the damages element “by alleging that they  
 4 have been forced to expend attorneys’ fees in defending against [the] defendants’  
 5 trademark claims, since attorneys’ fees are not properly part of damages under  
 6 Section [1120], and attorneys’ fees alone thus cannot satisfy the damages  
 7 requirement.” *Zobmondo Ent. LLC v. Falls Media LLC*, No. 06-cv-3459-ABD,  
 8 2008 WL 6138835, at \*11 (C.D. Cal. Aug. 11, 2008); *see also Aromatique, Inc. v.*  
 9 *Gold Seal, Inc.*, 28 F.3d 863, 876 (8th Cir. 1994) (“fees are not included within  
 10 damages awarded under [Section 1120]”); *Exxon v. Corp. v. Exxene Corp.*, 696 F.2d  
 11 544, 551 (7th Cir. 1982) (“[T]he only damages proved by Exxene—its attorneys’  
 12 fees—were not recoverable as damages under [Section 1120]”; *see also United*  
 13 *Phosphorous, Ltd. v. Midland Fumigrant, Inc.*, 205 F.3d 1219, 1232 (10th Cir.  
 14 2000) (noting in the context of fees under 15 U.S.C. 1117 that Section “1120 does  
 15 not allow for the award of attorney fees”). Nor can Ya Ya Logistics evade the rule  
 16 that fees are not Section 1120 damages by distinguishing fees from “costs.” *Ritz*  
 17 *Hotel, Ltd. v. Shen Mfg. Co., Inc.*, No. 05-cv-4730, 2009 WL 1119496, at \*2 (E.D.  
 18 Pa. Apr. 27, 2009) (“litigation costs and attorneys’ fees are not available as damages  
 19 under Section 38 [of the Lanham Act, codified at 15 U.S.C. § 1120]”).

20           This issue was already briefed before the transferor court. Ya Ya Logistics  
 21 never identified cognizable damages. It could do no more than recite empty legal  
 22 conclusions. (*E.g.*, ’23 Action, Dkt. No. 40 at 4-5 (“There is little doubt that  
 23 Defendant Ya Ya Logistics has been damaged”).)

24           In short, Ya Ya Logistics has not set forth a sufficient basis upon which relief  
 25 can be granted and its claims should be dismissed or adjudged on the pleadings.

26                   **2. Amendment Would Be Futile.**

27           Ya Ya Logistics cannot save its counterclaim by amendment for two  
 28 independent reasons.

1 *First*, Ya Ya Logistics will not be able to allege any cognizable damages  
 2 because it had none. Any and all harm it suffered it suffered because it could not  
 3 distribute counterfeit products on account of Opulent’s good-faith litigation and  
 4 trademark prosecution. Ya Ya Logistics can offer nothing but meritless speculation,  
 5 which will never satisfy Rule 9(b).

6 *Second*, even if Ya Ya Logistics could identify cognizable damages, this  
 7 Court’s SJ Order shows that Ya Ya Logistics’ counterclaim fails on other  
 8 elements—including materiality, intent, and falsity—as explained in the Argument  
 9 that follows.

10 **C. The SJ Order Demonstrates That Ya Ya Logistics Cannot Pursue**  
 11 **Its Counterclaim.**

12 **1. No Evidence Supports Ya Ya Logistics’ Claim About Falsity**  
 13 **of Opulent’s Advertising Budget (SJ Order Issue “A”).**

14 Ya Ya Logistics alleges that Opulent’s statement that it “spent approximately  
 15 \$38,000 annually in advertising, marketing and promoting [its] Chandelier Cake  
 16 Stands since 2006” is false. (’23 Action, Dkt. No. 32 at ¶ 18). However, no records  
 17 of pre-2014 annual spending and revenue exist. (SJ Order at 5.) And Ya Ya  
 18 Logistics cannot identify any material falsehood in the reports for the subsequent  
 19 relevant years. (*Id.*)

20 Therefore, there is “no basis in the available record for a reasonable juror to  
 21 conclude that Opulent’s \$38,000 *estimate* of its annual advertising budget was  
 22 materially false.” (SJ Order at 5.)

23 **2. Ya Ya Logistics Failed to Identify Evidence Supporting the**  
 24 **Necessary Element of Subjective Intent Concerning**  
 25 **Advertising (SJ Order Issue “B”).**

26 Ya Ya Logistics alleges fraud based upon Opulent’s representation in its  
 27 application to the United States Patent and Trademark Office that it “generated over  
 28 \$700,000 in revenues from [its] Chandelier Cake Stands in 2018.” (’23 Action, Dkt.  
 No. 32 at ¶ 16.) Ya Ya Logistics’ claim lacks merit. Ya Ya logistics theory of intent

1 relies on assertions not supported by the facts of the case and it fails to offer an  
2 alternative basis that Opulent intended to defraud the United States Patent and  
3 Trademark Office.

4 In the rare instance that Ya Ya Logistics is able to prove falsity, Ya Ya  
5 Logistics has not established a triable issue of fact as to subjective intent. In regard  
6 to fraudulent registration claims, subjective intent to deceive “is an indispensable  
7 element of the analysis.” *In re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009).  
8 Specifically, “[i]f a false misrepresentation is occasioned by an honest  
9 misunderstanding or inadvertence without a willful intent to deceive” it cannot  
10 prove the requisite element of subjective intent. *Id.* Here, Opulent has not, and Ya  
11 Ya Logistics cannot identify any instance in which Opulent willfully intended to  
12 deceive the United States Patent and Trademark Office.

13 Furthermore, Ya Ya Logistics cannot argue that there is circumstantial  
14 evidence of deception. Ya Ya Logistics cannot establish Opulent’s intent to deceive  
15 because it has no evidence tending to suggest that that any misstatement was  
16 anything but error. (SJ Order at 5-6.) In fact, Ya Ya Logistics itself concedes that  
17 “one of Opulent Treasures’ misstatements or omissions could be explained away as  
18 a careless error.” (*Id.* at 6; *see also* SUF 4- [party admissions that the trademark is  
19 strong on its face].)

20 In short, Ya Ya Logistics cannot identify a single instance in which Opulent  
21 willfully deceived the United States Patent and Trademark Office.

### 22 **3. Opulent Did Not Fraudulently Omit Any Material** 23 **Information About the Customer Declarations (SJ Issue “C”)**

24 Opulent submitted 39 customer declarations to the PTO. (SUF 3.) Ya Ya  
25 Logistics quarrels with only “several” of them. (’23 Action, Dkt. No. 32 at ¶ 21.)  
26 Specifically, Ya Ya Logistics contends that Opulent “knowingly failed to inform the  
27 U.S. Patent and Trademark Office that several of the declarants were people who  
28

1 worked with Counterclaim Defendant.” (’23 Action, Dkt. No. 32 at ¶ 21.) Even if  
 2 that were true, Ya Ya Logistics would need to show that Opulent “deliberately  
 3 decided” to withhold employment information, that the employment information  
 4 would have been material to the PTO’s decision, and that the “several” declarations  
 5 (out of 39) were material. *CSL Silicones, Inc. v. Midsun Grp. Inc.*, 301 F. Supp. 3d  
 6 328, 353 (D. Conn. 2018). Ya Ya Logistics has no evidence of the “quality and  
 7 quantity” necessary to meet the clear-and-convincing evidentiary burden its fraud-  
 8 on-the-PTO claim invokes. *Anderson*, 477 U.S. at 254; *In re Bose Corp.*, 580 F.3d  
 9 at 1243; *eCash Techs*, 10 F.Supp. 2d at 1149.

10 Further, as noted by this Court in the Summary Judgment order, “Ya Ya does  
 11 not seriously contend that the USPTO would have refused to register the mark had  
 12 these purported omissions been addressed.” (SJ Order at 6-7; *see also* SUF 4-5  
 13 [party admissions that the trademark is strong on its face].)

14 Because Ya Ya Logistics cannot set forth facts sufficient to support its’ claim  
 15 for fraud, namely, the materiality element, Ya Ya should be precluded from  
 16 litigating its claims.

#### 17 **4. Opulent Did Not Omit Senior Use by Lamps Plus (SJ Issue** 18 **“D”).**

19 Ya Ya logistics contends that Opulent’s statement, “no other persons ... [had]  
 20 the right to use the mark in commerce,” is fraudulent. (SJ Order at 7.) Ya Ya  
 21 Logistics argues that the statement is fraudulent because Opulent knew and  
 22 deliberately omitted the fact that, allegedly, Lamps Plus was selling similar products  
 23 at the time. (*Id.*)

24 However, even if that were true, Ya Ya Logistics fails to note the second  
 25 requirement, namely that Ya Ya Logistics must show that Lamps Plus developed  
 26 rights in the trade dress *before* Opulent’s applied to the United States Patent and  
 27 Trademark Office.

1 Despite that requirement, Ya Ya Logistics cannot, and has yet to, identify any  
 2 Lamps Plus product “with nearly identical trade dress[es]” nor provided any  
 3 evidence that Lamps Plus developed rights in the trade dress before Opulent’s  
 4 application to the United States Patent and Trademark Office. (’23 Action, Dkt. No.  
 5 32 at ¶ 10.)

6 Thus, because Ya Ya Logistics cannot identify any instance in which Lamps  
 7 Plus was selling similar products at that time *or* that Lamps Plus developed rights in  
 8 the trade dress before Opulent’s application, Ya Ya Logistics should be precluded  
 9 from litigating its claims.

#### 10 **D. No Additional Discovery Will Change the Outcome.**

11 Ya Ya Logistics’s commonly owned affiliate Ya Ya Creations already had  
 12 full discovery on all the foregoing issues. The two Ya Yas are represented by the  
 13 same counsel, and pursued the same legal strategy. (SUF 1-2.) And this Court’s  
 14 consolidation order has already established that the two Ya Yas and the two  
 15 consolidated cases overlap. *See Cormier v. Penzoil Exploration & Prod. Co.*, 969  
 16 F.2d 1559, 1561 (5th Cir. 1992) (“The trial court may cut off a party’s entitlement to  
 17 discovery before a summary judgement ruling when the record indicates that further  
 18 discovery will not likely produce facts necessary to defeat the motion.”) Here, the  
 19 two counterclaims overlap completely. (Section I, above.) There is no reason to  
 20 further delay this case or waste party and judicial resources on Ya Ya Logistics’s  
 21 counterclaim.

#### 22 **IV. CONCLUSION**

23 For the foregoing reasons, Opulent respectfully requests that this Court  
 24 summarily adjudicate Ya Ya Logistics’s counterclaim and adjudgment on the  
 25 pleadings, or, alternatively, dismiss Ya Ya Logistics’s counterclaims.

26  
 27 Dated: October 27, 2023

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**CERTIFICATE OF COMPLIANCE**

The undersigned, counsel of record for Plaintiff and Counter-Defendant Opulent Treasures, Inc., hereby certifies that this brief contains 4,977 words, which complies with the word limit of L.R. 11-6.1.

Dated: October 27, 2023

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